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<i>In the Matter of</i>)	No. G 01 - 04
)	
The Market Conduct Examination of)	FINDINGS, CONCLUSIONS, AND
The Manufacturers Life Insurance)	ORDER ADOPTING REPORT
Company (U.S.A.) and The Manufacturers)	
Life Insurance Company of America.)	

BACKGROUND

An examination of the market conduct of the Manufacturers Life Insurance Company and the Manufacturers Life Insurance Company of America (U.S.A.) (the Company) for the period January 1, 1992, to December 31, 1996, was conducted by market conduct examiners of the Washington State Office of the Insurance Commissioner. The Company is an insurer authorized under RCW 48.05.030. This examination was conducted in compliance with the laws and regulations of the State of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the Office of the Insurance Commissioner. This examination was limited to Marketing and Sales Practices, Complaint Handling, and Replacement Activity.

The examination report with the findings and recommendations was transmitted to the Company for their comments on September 15, 2000. Response to the draft report was received on October 17, 2000.

The Commissioner or a designee has considered the report, the relevant portions of the examiner workpapers, and the submission by the Company. The report was modified to reflect new information provided by the company in their response to the draft report.

Subject to the right of the Company to demand a hearing pursuant to chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

The Commissioner adopts as findings the findings of the examiners as contained in the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct of the Company.

ORDER

The examination report as filed, attached hereto and incorporated by reference, is hereby ADOPTED as the final examination report.

It is ORDERED that the Company comply with the Instructions in the Report as follows (the page and other references are to the report):

- 1) The Companies are in violation of WAC 284-23-060(1) and are instructed to make certain that its full name and home office are clearly identified on all advertisements. (Page 9).
- 2) The Companies are in violation of RCW 48.17.010 and are instructed to make certain all agents are licensed and appointed by the company with the State of Washington prior to soliciting applications on behalf of the company. (Page 14).
- 3) The Companies are in violation of WAC 284-23-450(2) and are instructed to “Require with or as part of each application for life insurance or annuity a statement signed by the applicant as to whether such proposed insurance or annuity will replace existing life insurance or annuity.” (Page 18 and 19).
- 4) The Companies are in violation of WAC 284-23-455(1) and are instructed to “Require with or as part of each completed application for life insurance or annuity, a statement signed by the agent or broker as to whether he or she knows replacement is or may be involved in the transaction.” (Page 18 and 19).
- 5) The Companies are in violation of WAC 284-23-455(3) and are instructed to change their procedures to make certain all replacement business is entered on the Companies’ replacement register. (Page 18 and 19).
- 6) The Companies are in violation of WAC 284-23-455(2)(a)(ii) and are instructed to “Require...a copy of the replacement notice provided the applicant pursuant to WAC 284-23-440(2)(a). (Page 17, 18 and 19).
- 7) The Companies are in violation of WAC 284-23-455(2)(b) and are instructed to change their procedures such that “written communication [to the existing company] shall be made within three working days of the date the application is received in the replacing insurer’s home or regional office...” (Page 19).

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- 8) The Companies are in violation of WAC 284-23-455(2)(b) and are instructed to “Send to each existing insurer a written communication advising of the replacement or proposed replacement...” (Page 19).
- 9) The Companies are in violation of WAC 284-23-455(2)(b) and are instructed to “Send to each existing insurer a written communication advising of the replacement or proposed replacement...” (Page 19).

ENTERED at Lacey, Washington, this 24th day of January, 2001.

MIKE KREIDLER
Insurance Commissioner

By:

WILLIAM E. FRANDSEN
Deputy Commissioner